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SIPDIS

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STATE FOR A/S MCMURRAY
BANGKOK FOR JIM WALLER
STATE PASS USTR FOR AUSTR LINSKOTT

E.O. 12958: N/A
TAGS: [SENV](#) [ETRD](#) [ECON](#) [PREL](#) [SN](#)
SUBJECT: SCENESETTER FOR U.S.-SINGAPORE ENVIRONMENTAL MOI
REVIEW

REF: A. SINGAPORE 996 (FTA YEAR THREE REVIEW)

- [1](#)B. 06 SINGAPORE 1046 (UPDATED ENDANGERED SPECIES ACT)
- [1](#)C. SINGAPORE 1833 (USTR RAISES ILLEGAL LOGGING
INITIATIVE)

Summary

[1](#)1. (SBU) Summary: The October 30 biennial review in Singapore of the Memorandum of Intent on Cooperation in Environmental Matters offers a good opportunity to move forward our bilateral engagement on the environment under the U.S.-Singapore Free Trade Agreement (FTA). The timing is ideal: Singapore has indicated that climate change, energy security, and environmental protection will be major themes at the ASEAN and East Asia Summits in November. Singapore is making progress on environmental issues, including amendments last year to its Endangered Species Act and related enforcement actions. However, we remain concerned about Singapore's reluctance to increase monitoring of transit and transshipped cargo, which is thought to be a conduit for illicit trade in internationally controlled items. Singapore officials want to work with us, but remain mindful of constraints that limit law enforcement cooperation, political sensitivities with neighboring countries, and Singapore's overriding interest in maintaining its competitiveness as a trading hub. End summary.

Opportunities...

[1](#)2. (SBU) We look forward to your October 29-31 visit and encourage you to:

- urge Singapore to inspect more transshipped and transit cargo for CITES-related items;
- stress the importance of regional engagement on transnational issues such as illegal logging; and
- highlight issues of mutual interest such as renewable energy and water conservation.

And a pitfall...

[1](#)3. (SBU) The issue of arowana "dragon fish" exports has quieted down recently, but we expect the GOS to raise it at least perfunctorily during the review. Arowana are listed in CITES Appendix 1 and as an endangered species in the United States. The U.S. Fish and Wildlife Service (FWS) has

repeatedly refused to issue permits that would allow Singapore to export arowana to the United States. However, Singapore's tropical fish industry continues to pressure the GOS to break through the deadlock. If raised, we recommend you ask GOS officials speak directly to FWS (Ref A).

A Garden City

14. (SBU) Singapore is justly proud of its nickname, the "garden city", garnered through careful long-term policy planning and top-down direction initiated in the 1960s by modern Singapore's founding father, Lee Kuan Yew. Industrialization and developmental goals have always taken priority, yet the GOS has been acutely aware of the need to maximize land use in a way that differentiates Singapore from other major cities in the region. In spite of its highly urbanized setting, Singapore still retains considerable tracts of primary and secondary forests in addition numerous parks and gardens. As the society has become more affluent, environmental consciousness has grown. Today, Singapore's own environmental standards are generally consistent with those in the United States and Europe.

Water and Air

15. (SBU) Singapore depends on four "national taps" for water: imports from Malaysia, rainfall (collected in a sophisticated island-wide catchment system), desalinization plants, and reclaimed water ("NEWater"). Until recently, Singapore relied on Malaysia for fifty percent of its water needs. However, it is attempting to lessen dependence on imported water by managing both supply and demand (per capita water usage has dropped over ten liters per day in the last decade). Singapore's stringent emissions standards, coupled

with economic and investment policies that favor high-tech over heavy industry and create economic disincentives for private vehicle ownership, keep concentrations of major air pollutants well below EPA and WHO standards. Although 2007 has been comparatively smog-free, Singapore has in the past suffered from seasonal problems with smog caused by agricultural fires in neighboring Malaysia and Indonesia. The GOS is engaging both countries and even raised the haze problem in the United Nations in October 2006.

The Transshipment Issue

16. (SBU) Singapore was built on trade, and its air and seaports remain among the busiest in the world. We are concerned that Singapore, like many countries, does not collect manifest data on transshipment or transit cargo unless it is bound for the United States, e.g., under the Container Security Initiative. The United States has long pressed Singapore to stem illicit trade through its seaport and airport. For just as long, Singapore has pushed back, expressing an unwillingness to institute checks that might interfere with the competitiveness of its ports.

17. (SBU) Singapore has recently taken steps to address some of our concerns. In March 2006, Singapore passed a new Endangered Species Import and Export Act and followed up with specific enforcement actions. The Act increased fines tenfold, doubled maximum prison sentences, augmented the Agri-Food Veterinary Authority's (AVA) enforcement jurisdiction to include any cargo within the Singapore Free Trade Zone (i.e., outside of customs) and expanded the definition of contraband items (Ref B).

Cooperation

18. (SBU) Singapore generally approaches law enforcement and customs cooperation with caution. Engagement with U.S. enforcement agencies, even on serious criminal cases, is good but generally needs improvement. Singapore is protective of

its sovereignty and concerned that mandated cooperation with the United States could spur Singapore's neighbors to demand law enforcement "cooperation" on cases that are driven more by domestic politics than genuine enforcement goals. Negotiations on a mutual legal assistance treaty, necessary to enable Singapore to share information for use in criminal prosecutions, began in 2003. While Chapter 4 (Customs Cooperation) of the FTA contains provisions for information sharing, they are limited to cases involving U.S. imports from Singapore, not trade involving third countries. Singapore is generally willing to help when we provide detailed intelligence about a specific shipment that violates international treaty obligations.

Sensitivities

19. (SBU) Singapore appears committed to the work program under the MOI, but it will be sensitive to proposals that might seek to impose new obligations, especially those in which it does not have a direct stake. The GOS believes that the work program should focus on non-controversial projects that build on shared interests. On trade in endangered species and other products subject to multilateral control, such as certain timber, Singapore is willing to work together on capacity building initiatives, including workshops and seminars. Focusing on enforcement of existing multilateral obligations under CITES and other agreements may make it easier to elicit Singapore's cooperation, although sovereignty-sensitive Singapore is likely to resist tackling what it considers enforcement problems within its neighbors' jurisdictions.

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